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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/627,547	07/25/2003	David L. Bauer	5053.00009	3536

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EXAMINER

PATEL, JAGDISH

ART UNIT PAPER NUMBER

3624

DATE MAILED: 02/07/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

10/627,547

Applicant(s)

BAUER ET AL.

Examiner

JAGDISH PATEL

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 25 July 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-32 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-32 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>9/27/04</u> . | 6) <input type="checkbox"/> Other: _____ |

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DETAILED ACTION

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1-32 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claim 1 (and dependent claims) recites an online system for bidding. However, none of the limitations are components of a system. The system must comprise at least two tangible constituent components (such as a computer in association with a storage device) which cooperate to carry out an intended function(s). In the present form of claim 1, a clear statutory class of the invention can not be ascertained. The body of claim does not recite elements of a system. It is suggested that the claim be restructured so as to clearly identify the elements of the system (i.e. constituents) in terms of tangible components such as computers, network, website with associated functionality.

Claim 29 (and dependent claims) is similarly analyzed as having no statutory class. The claim pertains to "an auction" as set forth in the preamble. The body of the claim further

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describes the "portions" of the auction as "a first auction portion" and "a second .. auction portion".

3. Claims 15-28 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The invention as recited in the claims is merely an abstract idea that is not within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter.

The examiner presents the following rulings in support of the aforementioned analysis.

The phrase "technological arts" is synonymous with the phrase "useful arts" as it appears in Article I, Section 8 of the Constitution, *In re Waldbaum*, 167 USPQ 280 (CCPA 1970) and *In re Johnston*, 183 USPQ 172 (CCPA 1974).

More recent ruling by the U.S. Patent and Trademark Office, Board of Patent Appeals and Interferences (*Ex Parte Bowman*, 61 USPQ2d 1669) also supports the assertion that an invention must "promote the progress of science and the useful arts" and that

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the invention must fall within the definitions of technological arts in order to be statutory under 35 U.S.C. 101. Note that the Bowman ruling cannot be used as a precedent but cited for its analysis of the claims for patentability under 35 U.S.C. 101.

In order to overcome this rejection, the aforementioned limitations must be recited as being performed by a server or a processor.

This analysis is exemplary for all method claims 15-28. Note that, although, claim 15 recites "computer network" as intended technological implement none of the method steps are carried out with a computer or a computer network. Broadly interpreted, the claim(s) is recited without technology, i.e. as manual acts.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

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5. Claims 1-14 and 29-32 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

6. Claims 5-6: the system elements preliminary bidding component and the dynamic real-time auction component are not linked to the (computer terminal or display of) remotely located bidders. This renders the claims indefinite.

Claims 13-14: these claims do not further limit the functionality of the aforementioned system elements of claim 1.

7. As per discussion of claims 1-14 and 29 under 35 USC 101 rejection the claims' statutory class cannot be determined which renders the claims indefinite.

8. Claims 29-32 recite the limitation "said computers" in lines 2 and 8. There is insufficient antecedent basis for this limitation in the claim.

Claim Rejections - 35 USC § 102

9. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless -

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

10. Claim 1 and 15 are rejected under 35 U.S.C. 102(b) as being anticipated by French et al. (US 2001/0037281 A1) (hereafter "French").

Per claim 1, French discloses an online auction system for remotely located bidders comprising:

a preliminary bidding component conducted over a computer network, said preliminary bidding component simultaneously offering for auction a plurality of items for a pre established duration of time;

(refer to auction Phase I, Fig. 2A, paragraphs [0032]- [0037])

a dynamic real-time auction component conducted over the computer network and beginning after expiration of the pre established duration of time following the end of the

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preliminary bidding component, said dynamic auction component offering for auction consecutively and individually each of the plurality of items from the preliminary auction component whereby an initial dynamic bid on each item is equivalent to a final bid for the item received during the preliminary bidding component.

(refer to auction phase II, Fig. 2B, paragraphs [0037]- [0042])
Method claim 15 is analyzed as per corresponding system claim 1.

Claim Rejections - 35 USC § 103

11. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

12. Claims 2-14, 16-28 and 29-32 rejected under 35 U.S.C. 103(a) as being unpatentable over French as applied to claim 1 and further in view of official notice.

French fails to disclose various features such as dynamic real-time auction conducted similar to a live auction per claim

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2, accepting proxy bids during the preliminary auction per claims 3 and 4, displaying a count down timer and a plurality of means for alerting bidders per claims 5-14.

Official Notice is taken that the above recited features and functions are old and well known in the art of electronic auctions.

It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to incorporate these functions in the cited reference in order that the auction is more appealing to the participants, reduce burden on the bidders for incrementing bids by allowing the system to adjust bids according to pre-established rules set by the bidders and remind the bidders to the auction closing as it approaches the closing time.

13. Method claims 16-28 are analyzed as per corresponding system claims 2-14.

14. Per claim 29-32 French discloses an auction conducted over a computer network comprising:

a first auction portion simultaneously offering a plurality of items for auction for a pre established duration, a second

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real-time virtual auction portion offering the plurality of items consecutively and simultaneously for auction whereby each item offered for auction during the second auction portion has an initial established bid equal to a final bid received during the first auction portion.

French does not explicitly teach display of various auction parameters as enumerated in claim 29.

Official Notice is taken that the above recited features and functions are old and well known in the art of electronic auctions.

It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to incorporate these features of displaying various auction parameters for efficient operation of the auction by providing desired information about the auction which can assist the bidders.

Conclusion

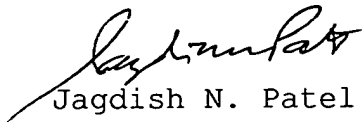
The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAGDISH PATEL whose telephone number is (703)308-7837. The examiner can normally be reached on 800AM-600PM M-Th.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703)308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Jagdish N. Patel

(Primary Examiner, AU 3624)

2/3/05